

EXECUTIVE CHAMBERS

HONOLULU

May 1, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 910

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 910, entitled "A Bill for an Act Relating to Public Financial Disclosure Statements."

The purpose of this bill is to make the financial disclosure statements of the members of ten boards and commissions a matter of public record and available for inspection and duplication.

This bill is objectionable because it will adversely impact the ability of the State to attract knowledgeable and qualified volunteers to serve on boards and commissions.

Members of boards and commissions already file annual financial disclosure statements with the Ethics Commission. This allows members of the Ethics Commission to determine if conflicts of interest exist. These forms are not made public thus affording a careful balancing of the interests of the public and the privacy of the volunteers who serve. Subjecting a board member's personal financial, proprietary, and commercial information to public disclosure and duplication could adversely affect the ability of these individuals to conduct their business and maintain the confidentiality of their personal assets.

Second, this bill fails to recognize the safeguards already in place to ensure ethical behavior by board and

commission members. Board and commission decisions are already subject to the Sunshine law requiring open meetings and public recording of the proceedings. Members of the public who are concerned that a conflict may exist have a reasonable opportunity to raise that concern. Furthermore, members of the public can request the Ethics Commission to investigate a commissioner or board member if they believe a conflict may be present.

Many board and commission members are subject to confirmation by the State Senate. The Senate has the opportunity and an obligation through this process to ensure that the members they are confirming will live up to the highest ethical standards of the State. Additionally, some boards, such as the Board of Land and Natural Resources, are already subject to statutorily mandated disclosure rules that require a member to disqualify themselves from voting or participation in a discussion where they have a direct or indirect interest. This bill fails to recognize these existing safeguards.

Third, this bill singles out ten specific boards and commissions but fails to address why these boards should be subject to public disclosure while numerous other boards and commissions that serve the State will not be subject to the same requirements. Furthermore, this bill attempts to improperly equate members of boards and commissions who serve without compensation as if they were the same as paid State employees or elected officials. If this proposed bill applied only to the Public Utilities Commissioners, it would be an acceptable measure since these commissioners are full-time paid members during their tenure.

Finally, the bill is objectionable because it would change the requirements of financial disclosure in mid-stream. Because this bill would take effect upon approval it would subject existing board and commission members to new rules that were not

in place at the time they agreed to serve and were appointed to their positions. Changing the rules is both unfair and inappropriate to those who are giving of their time and talents to improve the operations of State government. If the measure applied prospectively, then it would be less onerous than as currently written.

My Administration has consistently supported open and timely disclosure of potential conflicts by members of all State boards and commissions. However, this disclosure should be handled in a manner that is appropriate to the specific board, such as the current statutory requirements applicable to the Board of Land and Natural Resources. This bill fails to meet that standard.

For the foregoing reasons, I am returning House Bill No. 910 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read 'Linda Lingle', written in a cursive style.

LINDA LINGLE
Governor of Hawaii